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CSS

18th ANNUAL REPORT

SHOPLIFTING

IN

SUPERMARKETS

DRUG STORES - DISCOUNT STORES

BY

ROGER GRIFFIN CPP

COMMERCIAL SERVICE SYSTEMS, INC.

TABLE OF CONTENTS

Age of Shoplifter. 14

Cases in which 1 - 25 Items were Recovered 10

Cigarettes as percent of Value of Merchandise Recovered. . 15

Concealment, Methods of. 16

Conditions for using Data in this Report 2

Day Apprehension Occurred. 12

Estimating Shoplifting Losses. 3

Estimating Losses, a Formula for Individual Retailers. . . 6

Items Recovered, Average per Apprehension. 8

Juveniles Referred to Police 11

Merchandise Recovered, Categories of 15

Month Apprehension Occurred. 12

Potential Losses, per Store per Year 4

Prosecution of Adults. 11

Sex of Shoplifter. 13

Shoplifters under 30 Years of Age. 14

Shoplifting Losses, U.S. Supermarkets. 5

Supermarket Shoplifting Data 1969 - 1980 17

Time of Day Apprehension Occurred. 13

Value range of Merchandise Recovered 9

Value of Merchandise Recovered 15

Value of Merchandise Recovered per Apprehension. 7

CSS

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May 15, 1981

TO: OUR FRIENDS IN THE RETAIL INDUSTRY

We are pleased to submit our eighteenth annual report on shoplifting in Supermarkets, Drug Stores and Discount Stores. This report is based on information taken from reports of apprehensions made in our client's stores during 1980.

Those computer tabulated apprehension reports are the source of the information presented here.

11,484	Reports were received from	690 Supermarkets
4,205	Reports were received from	115 Drug Stores
1,257	Reports were received from	48 Discount Stores
16,946	TOTAL	853

Ninety-six percent (96%) of the data came from stores located in Southern California. Four percent (4%) came from stores located in Arizona.

This study was designed to be useful to retail executives, the judiciary, prosecutorial and law enforcement agencies and the public at large.

Our purpose is to promote understanding of the shoplifting problem by increasing the limited amount of hard data available on the subject.

We are happy to share this data and ask only that users comply with the conditions stated on the following page.

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ESTIMATING SHOPLIFTING LOSSES

The actual amount of loss to retail business due to shoplifting remains an enigma because several factors contribute to total inventory shrink.

Those factors include shoplifting, employee theft, vendor theft, good faith errors of undercharge at the point of payment, errors in the inventory-accounting procedure, etc.

It is obviously impossible to know with certainty to what extent each factor contributes to the total shrink. We offer the following method of estimating the importance of the shoplifting factor in the equation.

This method involves making an estimate of shoplifting losses based on three known factors and one unknown factor.

AVERAGE VALUE MERCHANDISE RECOVERED PER APPREHENSION

SUPERMARKETS $8.69 - DRUG STORES $9.56 - DISCOUNT STORES $48.46

POTENTIAL LOSS PER STORE PER YEAR

SUPERMARKET

Average Value of Merchandise Recovered per Apprehension	Estimated Number of Incidents per Store per Day	Operating Days per Year	Yearly Loss per Store
$ 8.69	1	363	$ 3,154
8.69	2	363	6,309
8.69	3	363	9,463
8.69	4	363	12,618
8.69	5	363	15,772
8.69	6	363	18,927
8.69	7	363	22,081
8.69	8	363	25,236
8.69	9	363	28,390
8.69	10	363	31,545

DRUG STORE

9.56	1	363	3,470
9.56	2	363	6,941
9.56	3	363	10,411
9.56	4	363	13,881
9.56	5	363	17,351
9.56	6	363	20,822
9.56	7	363	24,292
9.56	8	363	27,762
9.56	9	363	31,233
9.56	10	363	34,703

DISCOUNT STORE

48.46	1	363	17,591
48.46	2	363	35,182
48.46	3	363	52,773
48.46	4	363	70,364
48.46	5	363	87,955
48.46	6	363	105,546
48.46	7	363	123,137
48.46	8	363	140,728
48.46	9	363	158,319
48.46	10	363	175,910

U.S. SUPERMARKETS

In 1980 the average value of the merchandise recovered each time a supermarket shoplifter was apprehended was $8.69. (Up from $7.37 in 1979.)

.....

Food Marketing Institute reports that there are approximately 30,000 supermarkets in the United States today. By applying the following formula, we can arrive at an estimated yearly shoplifting loss in supermarkets.

$ 8.69	X	8	X	363	X	30,000 =
AVERAGE SHOPLIFTING THEFT		ESTIMATED NO. INCIDENTS PER STORE PER DAY		NUMBER OF OPERATING DAYS PER YR.		NUMBER OF SUPERMARKETS

$ 757,072,800

ESTIMATED SHOPLIFTING LOSSES

U.S. SUPERMARKETS 1980

ESTIMATING SHOPLIFTING LOSSES
A FORMULA FOR INDIVIDUAL RETAILERS

PLEASE INDICATE THE PERCENTAGE OF TOTAL INVENTORY SHRINK WHICH YOU BELIEVE THE FOLLOWING FACTORS CONTRIBUTE:

1. SHOPLIFTING..... _____ %
2. EMPLOYEE THEFT..... _____ %
3. VENDOR THEFT..... _____ %
4. GOOD FAITH CASHIER ERRORS..... _____ %
5. INVENTORY-ACCOUNTING ERRORS... _____ %
6. OTHER..... _____ %

1 0 0 %

7. MULTIPLY YOUR TOTAL YEARLY INVENTORY SHRINK BY THE PERCENTAGE YOU ATTRIBUTE TO SHOPLIFTING:

$ _____ (TOTAL INVENTORY SHRINK IN DOLLARS) X _____ (% ATTRIBUTED TO SHOPLIFTING) = _____ (ESTIMATED LOSS)

8. FILL IN THE FACTORS WHICH YOU THINK APPLY TO YOUR COMPANY AND MULTIPLY:

$ 8.69 (AVERAGE THEFT) X _____ (NUMBER OF SHOPLIFTERS PER STORE PER DAY) X _____ (NUMBER OF OPERATING DAYS) X _____ (NUMBER OF STORES) =

$ _____
ESTIMATED SHOPLIFTING LOSS

9. THE FOLLOWING EXAMPLE PERTAINS TO A 100 STORE COMPANY OPEN 363 DAYS PER YEAR WHICH BELIEVES THAT EACH OF ITS STORES IS VICTIMIZED BY SHOPLIFTERS AN AVERAGE OF 8 TIMES PER DAY:

$ 8.69 (AVERAGE THEFT) X 8 (NUMBER OF SHOPLIFTERS PER STORE PER DAY) X 363 (NUMBER OF OPERATING DAYS) X 100 (NUMBER OF STORES) =

$ 2,523,576.00
ESTIMATED SHOPLIFTING LOSS

COMPARE ESTIMATED LOSS IN PARAGRAPH 7 WITH ESTIMATED LOSS IN PARAGRAPH 8.

AVERAGE VALUE OF MERCHANDISE RECOVERED

PER APPREHENSION

ALL CASES

SUPERMARKET	$ 8.69
DRUG STORE	$ 9.56
DISCOUNT STORE	$ 48.46

SEPARATE CATEGORIES

	ADULT MALES	ADULT FEMALES	TOTAL ADULTS	TOTAL JUVENILES	TOTAL MALE JUVENILES	TOTAL FEMALE JUVENILES
SUPER MARKET	$ 9.49	10.53	10.03	6.70	5.31	8.77
DRUG STORE	$10.73	11.97	11.40	7.43	5.65	9.64
DISCOUNT STORE	70.83	50.57	59.37	32.41	27.24	39.36

AVERAGE NUMBER OF ITEMS RECOVERED

PER APPREHENSION

SUPERMARKET	3.2
DRUG STORE	2.8
DISCOUNT STORE	5.0

SEPARATE CATEGORIES

	ADULT MALES	ADULT FEMALES	TOTAL ADULTS	TOTAL JUVENILES	TOTAL MALE JUVENILES	TOTAL FEMALE JUVENILES
SUPER MARKET	2.9	3.9	3.5	2.9	2.4	3.6
DRUG STORE	2.3	3.2	2.8	2.9	2.3	3.6
DISCOUNT STORE	4.8	6.8	5.9	3.7	2.2	5.6

VALUE RANGE

MERCHANDISE RECOVERED

NUMBER OF CASES WITHIN EACH VALUE RANGE

	SUPERMARKET		DRUG STORE		DISCOUNT STORE	
DOLLAR AMOUNT	NUMBER OF CASES	PERCENT	NUMBER OF CASES	PERCENT	NUMBER OF CASES	PERCENT
UNDER 50¢	497	4.3%	251	6.0%	66	5.1%
50¢ to $ 1	790	6.9%	240	5.8%	25	1.9%
$ 1 to $ 5	4995	43.5%	1664	39.9%	161	12.5%
$ 5 to $10	2510	21.9%	875	21.0%	175	13.5%
$10 to $25	1905	16.6%	811	19.4%	305	23.6%
$25 to $50	558	4.9%	236	5.7%	245	19.0%
$50 to $75	145	1.3%	68	1.6%	105	8.1%
$75 to $100	35	.3%	13	.3%	60	4.6%
$100 to $150	26	.2%	5	.1%	65	5.0%
$150 to $200	10	.1%	3	.1%	24	1.8%
OVER $200	13	.1%	6	.1%	61	4.7%

NUMBER OF CASES IN WHICH 1 TO 25 ITEMS WERE RECOVERED

	SUPERMARKET		DRUG STORE		DISCOUNT STORE	
NUMBER OF ITEMS	NUMBER OF CASES	PERCENT	NUMBER OF CASES	PERCENT	NUMBER OF CASES	PERCENT
1	4473	38.9%	2070	49.6%	497	38.5%
2	2411	21.0	814	19.5	213	16.5
3	1396	12.2	375	9.0	112	8.7
4	866	7.5	261	6.3	91	7.0
5	595	5.2	156	3.7	61	4.7
6	444	3.9	128	3.1	48	3.7
7	272	2.4	55	1.3	43	3.3
8	218	1.9	63	1.5	27	2.0
9	161	1.4	56	1.3	15	1.2
10	138	1.2	44	1.1	26	2.0
11	102	.9	21	.5	24	1.9
12	77	.7	24	.6	23	1.8
13	60	.5	15	.4	11	.9
14	45	.4	11	.3	8	.6
15	31	.3	14	.3	8	.6
16	27	.2	10	.2	13	1.0
17	33	.3	5	.1	7	.5
18	23	.2	5	.1	4	.3
19	10	.1	6	.1	4	.3
20	15	.13	5	.1	6	.5
21	11	.09	7	.2	3	.2
22	11	.09	1	-	6	.5
23	6	.05	5	.1	0	0
24	3	.02	2	-	5	.4
25	10	.08	1	-	1	-
OTHER	46	.4	18	.4	35	2.7

SHOPLIFTERS REFERRED TO POLICE

ADULTS PROSECUTED

	TOTAL ADULTS	ADULT MALES	ADULT FEMALES
SUPERMARKET	37.6%	38.8%	36.5%
DRUG STORE	25.2%	24.0%	26.2%
DISCOUNT	61.3%	61.6%	61.1%

JUVENILES REFERRED

	TOTAL JUVENILES	JUVENILE MALES	JUVENILE FEMALES
SUPERMARKET	32.1%	31.0%	33.8%
DRUG STORE	18.8%	16.9%	21.1%
DISCOUNT	43.9%	38.6%	51.1%

WHEN APPREHENSION OCCURRED

MONTH

MONTH	SUPER MARKET	DRUG STORE	DISCOUNT STORE
JAN	5.3%	3.7%	2.4%
FEB	9.1	6.3	6.5
MAR	9.7	8.4	9.7
APR	9.3	7.3	8.1
MAY	8.4	7.5	9.2
JUN	7.2	6.1	6.5
JUL	7.7	6.2	6.8
AUG	7.9	7.2	6.8
SEP	8.3	9.5	8.7
OCT	9.9	12.2	12.6
NOV	8.7	12.4	11.2
DEC	7.7	12.5	10.9

DAY

DAY	SUPER MARKET	DRUG STORE	DISCOUNT STORE
MON	15.7%	13.5%	3.2%
TUE	15.3	11.0	17.8
WED	14.9	12.4	15.5
THUR	14.0	14.9	16.0
FRI	13.9	15.2	17.0
SAT	12.7	18.5	14.0
SUN	12.8	13.8	16.0
NOT INDICATED	.3	.3	.2

WHEN APPREHENSION OCCURRED

TIME OF DAY

TIME OF DAY	SUPER MARKET	DRUG STORE	DISCOUNT STORE
BEFORE NOON	9.5%	6.9%	8.3%
NOON - 3:00	24.1	27.0	38.5
3:00 - 6:00 PM	39.3	39.2	36.1
6:00 - 9:00 PM	21.6	22.7	15.4
9:00 - MIDNIGHT	4.1	3.0	1.1
AFTER MIDNIGHT	.5	.1	.0
NOT INDICATED	.6	.7	.3

SEX OF SHOPLIFTER

ADULTS

	ADULTS SUPERMARKETS	ADULTS DRUG STORES	ADULTS DISCOUNT
MALE	48.2%	45.7%	43.4%
FEMALE	51.7	54.2	56.5

JUVENILES

	JUVENILES SUPERMARKETS	JUVENILES DRUG STORES	JUVENILES DISCOUNT
MALE	60%	55.1%	57.3%
FEMALE	40	44.8	42.6

AGE OF SHOPLIFTER

AGE GROUP	SUPER MARKET	DRUG STORE	DISCOUNT STORE
UNDER 12	6.2%	11.3%	4.3%
12 - 17	23.5	27.8	26.5
18 - 29	34.2	27.9	32.0
30 - 39	14.1	12.5	17.5
40 - 49	7.7	7.2	9.5
50 - 59	6.0	5.4	6.4
OVER 60	7.9	7.5	3.5

SHOPLIFTERS
UNDER 30 YEARS OF AGE

SUPERMARKET	63.9 %
DRUG STORE	67.0 %
DISCOUNT STORE	62.8 %

VALUE OF MERCHANDISE RECOVERED

TOTAL VALUE

CIGARETTES AS PERCENTAGE OF TOTAL

	TOTAL VALUE MERCHANDISE RECOVERED	VALUE OF CIGARETTE MERCHANDISE RECOVERED	CIGARETTE MERCHANDISE AS PERCENTAGE OF TOTAL
SUPERMARKET	$ 99,907	$ 4,462	4.47%
DRUG STORE	$ 39,900	$ 307	.77%
DISCOUNT STORE	$ 62,610	$ 198	.32%

CATEGORIES OF MERCHANDISE RECOVERED

Indicates the percentages of cases in which one or more items within the indicated categories were recovered.

	SUPER MARKET	DRUG STORE	DISCOUNT STORE
FRESH MEAT	15.3%	0	1.3%
DELI	12.1	0	1.0
OTHER FOOD ITEM	27.1	7.2	3.8
LIQUOR	9.3	2.5	.6
CIGARETTES	7.6	1.8	1.0
VITAMINS	1.6	1.8	.9
HEALTH & BEAUTY AIDS	9.1	9.4	1.1
CLOTHING	6.9	9.7	19.2
OTHER NON FOOD ITEM	40.6	76.1	83.3

METHODS OF CONCEALMENT

INDICATES PRIMARY METHOD OF CONCEALMENT REPORTED

	SUPER MARKET	DRUG STORE	DISCOUNT STORE
PURSE	34.1 %	27.8 %	29.2 %
SHOPPING BAG	2.8	3.4	15.7
OTHER BAG	3.8	4.9	2.9
PROFESSIONAL	.4	.3	.8
POCKET	21.5	28.5	12.3
LABEL SWITCHER	2.1	4.2	6.7
ACCOMPLICE	3.2	4.7	4.1
UNDER CLOTHING	23.7	13.1	11.3
OTHER METHOD	7.3	11.6	15.8
NOT INDICATED	.5	1.1	.8

SUPERMARKET SHOPLIFTING DATA 1969 - 1980

YEAR AND NUMBER OF CASES	PERCENT OF ADULTS PROSECUTED	PERCENT OF JUVENILES TO POLICE	DAY WHEN MOST SHOPLIFTERS WERE CAUGHT	MONTH WHEN MOST SHOPLIFTERS WERE CAUGHT	TIME PERIOD WHEN MOST SHOPLIFTERS WERE CAUGHT	AGE GROUP MOST OFTEN APPREHENDED	PERCENT OF SHOPLIFTERS UNDER THIRTY YEARS OLD	RATIO OF MALE-FEMALE APPREHENSIONS	PERCENT CONCEALED IN POCKET-PURSE OR UNDER CLOTHING	AVERAGE NUMBER OF ARTICLES RECOVERED	AVERAGE VALUE OF MERCHANDISE RECOVERED
1980 11,484	37.6%	32.1%	MON TUES	OCT	3-6 P.M.	18-29	63.9%	49.0% M 50.9% F	79.3%	3.2	$8.69
1979 14,720	34.1%	24.7%	MON TUES	MAR	3-6 P.M.	18-29	62.8%	55.3% M 43.6% F	78.%	3.1	$7.37
1978 17,326	33.0%	21.7%	WED	APR	3-6 P.M.	18-29	70.6%	54.9% 44.3%	78.4%	3.2	$6.39
1977 16,255	35.3%	24.7%	FRI MON	MAY	3-6 P.M.	18-29	70.2%	52.6% M 47.3% F	80.6%	3.2	$5.99
1976 16,100	35.7%	24.9%	THURS	MAR	3-6 P.M.	18-29	71.6%	51.4% M 48.6% F	81.3%	3.2	$5.90
1975 18,303	37.3%	24.1%	WED	JAN	3-6 P.M.	18-29	71.2%	54.2% M 45.7% F	81.1%	3.0	$4.91
1974 18,165	42.3%	25.8%	FRI	MAR APR	3-6 P.M.	12-17	71.3%	56.5% M 43.5% F	79.2%	3.1	$4.97
1973 14,790	42.6%	25.0%	THURS	OCT NOV	3-6 P.M.	12-17	69.5%	51.2% M 48.8% F	79.4%	3.0	$4.32
1972 15,542	39.4%	23.6%	FRI	MAR	3-6 P.M.	12-17	66.5%	50.3% M 49.7% F	79.9%	3.0	$3.85
1971 13,599	37.1%	22.9%	WED	DEC	3-6 P.M.	12-17	68.2%	57.0% M 42.9% F	78.0%	3.1	$4.35
1970 13,439	36.3%	20.9%	THURS	FEB APR	3-6 P.M.	12-17	68.3%	56.1% M 45.9% F	77.3%	3.1	$3.81
1969 12,460	30.6%	22.9%	THURS	MAR	3-6 P.M.	12-17	67.3%	56.2% M 43.8% F	77.0%	3.2	$3.80

COMMERCIAL SERVICE SYSTEMS INC.

COMMERCIAL SERVICE SYSTEMS, INC. is an investigative company which specializes in retail security systems for the control of losses due to DISHONEST and INEFFICIENT PERSONNEL and SHOPLIFTING. The company was incorporated in 1946. Executive offices are located in Van Nuys, California.

Clients are provided services in a wide area of the United States from offices in the following locations:

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